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By-the-book CIA agent led contras, rebels say

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WASHINGTON — He entered the contras' clandestine world in 1982, a carefully tailored man with naive Spanish who called himself Tomas Castillo. Beyond that, he kept vague. He said only that he was "working for the U.S. government."

For four years, Castillo administered an insurgency in Nicaragua, American-style. He paid salaries and presided at meetings. He negotiated contra disputes. He purged the rebel ranks. And, those who have known Castillo say, he did it by the book.

One former contra leader recalled Castillo as "the yellow-pad man," a relentless note-scribbler during rebel strategy sessions, a bureaucrat who doled out stacks of \$100 bills from an attache case but always got a receipt.

Today Castillo is in trouble, under investigation for apparently illegal collaboration with Lt. Col. Oliver North last year while Castillo was CIA station chief in Costa Rica. His CIA superiors are depicting him as a cowboy; an agent gone wrong whose troubles derived from personal recklessness.

The official story contrasts sharply, curiously, with the picture painted by more than a dozen persons who dealt with Castillo over four years.

"An able professional" who would never do anything without "proper clearance," recalled one former U.S. intelligence officer who served with Castillo in several Latin American posts.

"An operative, used to working for somebody else, a go-between, an organization man. Always," said Edgar Chamorro, a Nicaraguan exile whom Castillo recruited into the contra leadership in 1982. "He could supervise, but not creatively initiate."

Castillo was, from 1982 until January, a key agent in the U.S.-backed contra war. In many ways, Castillo's story is the story of the Reagan administration's war on Nicaragua. At least until last fall, his activities have always reflected official administration policy.

"He was there, out of sight but watching, when the CIA unveiled the Nicaraguan Democratic Force, the rebel army, in a 1982 Fort Lauderdale press conference."

It was there, managing the contras, when they began mining the harbors in 1983. He was there when they wrote the psychological warfare manual in 1984. He was there when the CIA supported, then undermined, Eden Pastora.

Last March, as CIA station chief in Costa Rica, he even took his wife to a private audience with President Reagan when they accompanied Costa Rica's outgoing public security minister and his wife to a White House thank-you session for the official's steadfast cooperation with U.S. initiatives.

And when the "private" contra air supply operation became public knowledge last fall after one of its planes was shot down in Nicaragua, it soon became clear that Castillo had been there, too. Newspapers report his ties to a clandestine Costa Rican airstrip and his work dispatching supply flights into southern Nicaragua. The CIA yanked Castillo home and forced him into early retirement.

Legal murkiness

His predicament was puzzling. A longtime team player, had he broken the rules, free-landing his own contra ventures? Or had he been made a scapegoat?

Scrutiny of Castillo's career and his present plight highlights the legal questions surrounding the CIA's involvement with the contras since Congress banned all contact in 1984, then softened the ban a year later.

Called before the Tower Commission investigating the Iran-contra affair Jan. 28, Castillo himself testified that his support for the supply flights had been approved by CIA superiors. Specifically, covert operations chief Clair George and Central America task force director Alan Fiers.

But acting CIA Director Robert Gates, appearing before the Senate Intelligence Committee Feb. 17, laid out the administration line: Castillo's indiscretions had been unauthorized.

"The officer was not following policy in terms of contact with private beneficiaries.... Apparently he has not told us the story straight. I was extremely concerned that this one officer apparently had not told the truth," Gates said.

Since Gates' testimony, congressional leaders have voiced skepticism about his remarks, throwing his confirmation into doubt.

Last weekend, a CIA spokeswoman called The Herald to state categorically that "no senior official provided authorization" to Castillo for any of his actions on behalf of the contras when congressional prohibitions were in effect. She noted that Gates' Feb. 17 testimony was under oath.

"The yellow-pad man"

Tomas Castillo is a pseudonym. When he served as station chief in Costa Rica, his public identity was as a first secretary of the U.S. Embassy. Nearly all of Costa Rican officials seemed to know Castillo, by what one U.S. official said was his real name. It is illegal to disclose the true name of a CIA agent.

It is not absolutely certain, but careful examination of government records and interviews with former intelligence officials indicate that Castillo's early career with the CIA, starting in the early 1970s, included diplomatic stints in Uruguay, Peru and Mexico. When the contra war began, Castillo appears to have been assigned to CIA headquarters in Langley, Va.

He appeared in Miami in 1982, with the contra movement still in its infancy, recruiting Chamorro and other Nicaraguan exiles to serve on the directorate of the Nicaraguan Democratic Force (FDN), the rebel army the CIA had started funding a year earlier.

An olive-skinned, heavy-set man, maybe 5-foot, 10 inches, with black hair graying at the temples, Castillo took a special care with clothes that impressed Chamorro.

"Dark, quality suits, like an executive," Chamorro recalls. "And if you were well-dressed, he'd notice, and tell you."

Where was he born? He said "Galithia," intentionally lipping the "G" of the Spanish province Galicia to imply an accent. Chamorro guesses: Cuba; Pastora thinks Puerto Rico.

In contra meetings at Miami's Four Ambassadors hotel, Castillo liked to follow an agenda. "He'd come with his briefcase," Chamorro said, "pull out the pad, take notes. He was a man who's used to organizing his work on paper."

Chamorro recalls Castillo's deliveries of attache cases stuffed with cash. "I'd have to sign to say I received \$10,000. He said they had a little old lady in Washington who would be very upset if we didn't get receipts," Chamorro recalled.

In Chamorro's view, Castillo was of "moderate intelligence," with distinctly middle-class tastes. He once confided his life's dream: to retire to a suburban home with a backyard barbecue.

Anti-communism dominated his political vision. U.S. and rebel officials said.

Late in 1983, after a year of working together in Tegucigalpa and Miami, Chamorro and Castillo talked over drinks at Biscayne Bay's Rusty Pelican. Chamorro, shocked by discoveries of multiple murders of contra combatants by their officers, was having doubts. Maybe the contras were no good, and they should negotiate with the Sandinistas, he suggested.

Castillo reacted sharply. An accommodation with the Sandinistas "impossible." "They're Communists. They're evil," Chamorro quoted Castillo.

"Castillo said that communism was an international conspiracy," he said. "He wanted everyone to be defined, ideologically. He couldn't discuss anything that didn't fit into his world of black and white."

CIA's main liaison

Throughout most of 1984, Castillo was known as the rebels' main CIA liaison, traveling to Miami and Central America from Langley. It was a trying year for the program, beginning in January with a rebellion by more than two dozen contra field commanders in Honduras. They complained that corruption in their general staff was causing hunger in the camps.

CIA headquarters backed the general staff despite the complaints, and Hugo Villagra, the most important dissident, was forced to leave Honduras. His arrival in Miami caused a stir among exiles. Castillo, fearing Villagra would take his allegations to the press, drove to the former contra commander's Kendall home and invited him to dinner.

Over *masas de puerco*, as Villagra recalls it, Castillo was all sympathy. He offered to intercede with immigration. He arranged for Villagra to fly to Washington to pass on his complaints. He assured Villagra that his allegations were being taken seriously.

"He wanted me to believe he was very concerned with the corruption. But they just wanted to neutralize me," Villagra said.

Later the same year, a CIA contract employee under Castillo's supervision wrote a psychological warfare manual, counseling the contras on the "selective use of violence" to "neutralize" Sandinista officials. Congressional outrage led President Reagan to discipline several CIA employees for "poor judgment and lapses in oversight."

Disciplined over manual

Castillo was among them. His punishment involved a demotion from his Langley-based position to a new post in 1985: station chief in Costa Rica.

Castillo's tenure in San Jose roughly coincided with that of U.S. Ambassador Lewis Tambo. Shortly after Tambo's arrival in

July 1985, Tambo called Castillo and two other embassy officials together to say "he had really only one mission in Costa Rica, and that was to form a Nicaraguan resistance southern front." Castillo later told the Tower panel. The two men worked closely on that mission.

His cover as an Embassy first secretary didn't last. Soon after Castillo's arrival, a minor rebel official emerged from a meeting to boast widely that he had been consulting with the CIA station chief. Castillo was instantly known in the rebel ranks.

Castillo worked closely with Costa Rica's then-security minister, Benjamin Piza, overhauling the Intelligence and Security Directorate of the FBI and CIA. In two recent interviews, Piza called Castillo a "good friend." Costa Rican officials called Piza Castillo's key to obtaining cooperation for the contras from the government of Costa Rican President Luis Alberto Monge.

Taking stock of his generous assistance, Piza one day told Castillo that he wanted to meet President Reagan. Personally.

Piza keeps a framed photograph of his handshake with President Reagan on the wall of his president's office at Seagrams, Costa Rica. Castillo's presence at the session came to light in the Jan. 29 Senate Intelligence Committee report on the Iran-contra affair, which noted that a "Central American security official and his wife" and "the senior CIA officer" in the same country had met with Reagan. White House chief of staff Donald Regan, Adm. John Poin-dexter and North. Piza said he, Castillo and their wives had topped off the trip with a weekend in Miami.

But Castillo's main work involved the contras, and it brought a showdown with Commander Pastora. The Southern Front had flourished, briefly, in late 1983, when the CIA had been funneling millions of dollars in cash and weaponry to Pastora's growing Democratic Revolutionary Alliance army. But even in those glory days Castillo had disdained the charismatic "Commander Zero."

Chamorro, who noticed Castillo's dislike for Pastora early on, chalked it up to Castillo's overall ideological rigidity. Castillo couldn't understand, or control, a political chameleon like Pastora, a Sandinista guerrilla hero who only turned against his former comrades in 1982.

"He was uncomfortable with Eden's imagination," Chamorro said.

In September 1984, Castillo had dealt with Pastora face to face, arbitrating the terms of a tense divorce in a San Jose safe house between Pastora and his former ally, Alfonso Robelo.

Ordered purge

But Castillo's final encounter with Pastora in June 1985 was apparently another exasperation, according to Pastora. Pastora's combatants seized a barge packed with American pacifists on the San Juan River, part of Nicaragua's southern border; Castillo radioed from San Jose, ordering Pastora not to harm them. The station chief's concern went beyond the obvious: The CIA had also infiltrated one of its agents into the group.

While Castillo had been infiltrating the pacifists, the Sandinistas had been infiltrating Pastora. The southern front was riddled with spies; even Pastora's lover was a Sandinista agent. In late 1985, the

CIA ordered the leaks staunched. Castillo ordered lie detector tests.

Technicians and machines were sent down from Langley, and over a period of weeks, nearly 20 contras were brought to a San Jose safe house and strapped in. More than a dozen rebels flunked the polygraphs, and a purge followed in the contras' southern front hierarchy.

Purged rebel officials said they learned later that their dismissals had been ordered by Castillo.

The CIA's strategy was to sideline Pastora and put his troops at the disposal of Fernando "El Negro" Chamorro, a lesser commander known for exploitable weaknesses of the flesh.

Since mid-1985, Castillo's CIA agents had been meeting with Pastora's field lieutenants in San Jose, always emphasizing that they were only seeking information about contra needs, about where the rebels were operating in Nicaragua. The CIA was not offering weapons, they said.

Then Castillo's agents changed their tune, offering weapons to commanders who would leave Pastora. Castillo demonstrated the seriousness of his offers, rebel officials said, by sending Pastora's men in southern Nicaragua at least two air drops and two small boatloads of weapons and supplies between February and April of 1986.

In a final, personal pitch, Castillo stood before the Pastora lieutenants in a May 1986 meeting in a San Jose safe house, telling them they could get more U.S. aid only if they abandoned Pastora for Chamorro.

Six consented. According to several contra officials, Castillo funneled each of them cash rewards of as much as \$5,000.

To supply the commanders, Castillo played a key role in negotiations in the final months of the Monge administration in Costa Rica to gain permission for the use of the secret airstrip, according to two senior Costa Rican officials. The "private" strip was built by a company tied to North and used by planes based in El Salvador.

With the strip in operation, Castillo dispatched air drops to the rebels.

From rebel officers, he learned contra troop movements inside Nicaragua, then passed the coordinates to North in the White House over an encryption device North had provided him. Castillo told the Tower Commission.

Castillo told the Tower Commission he had asked North about the legality of this work. "Are you sure this is OK? He said 'yes, yes, all you're doing is passing information,'" Castillo told the Tower Commission.

In one April 1986 message quoted by the Tower Commission, Castillo confirmed the success of one air drop to North, then went on grandly: "My objective is the creation of 2,500 man force... realize this may be overly ambitious planning, but with your help, believe we can pull it off."